

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
(Alexandria Division)**

<b>In re:</b>  <b>GUNNING MOTORS, INC.</b> <b>Debtor</b>	<b>Case No. 10-11896-RGM</b> <b>Chapter 11</b>
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**ORDER APPROVING BREAK UP FEE AND BIDDING PROCEDURES**

THIS MATTER came on upon the Motion of Gunning Motors, Inc. (the "Debtor" or "Gunning Motors"), by counsel, for entry of an order approving the "Breakup Fee" provisions set forth in Article XI of the Asset Purchase Agreement between the Debtor and the Brown Automotive Group ("Agreement"), and approving bidding procedures to solicit competing offers, and it appearing to the Court that the matter has been duly noticed, that no objections have been filed, and that the relief sought is appropriate, it is therefore

ORDERED that the bidding procedures set forth below shall govern the sale of the Debtor's operating assets ("Purchased Assets") as set forth in the Debtor's Motion For Order (A) Authorizing Sale Of Debtor's Assets Free And Clear Of Any Claims, Liens And Encumbrances And The Assignment Of The Existing Lease, (B) Approving Break Up Fee And (C) Approving Bidding Procedures ("Sale Motion"):

Ann E. Schmitt, VSB # 22030  
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(a) Any party wishing to make an offer (“Competing Offer”) for the Purchased Assets shall do so in writing and shall submit the Competing Offer to counsel for the Debtor no later than close of business on April 20, 2010, at the following address: Ann E. Schmitt, Culbert & Schmitt, PLLC, 30C Catocin Circle, SE, Leesburg, VA 20175, fax number 703-737-6370 or email to aschmitt@culbert-schmitt.com with a copy to be sent to the Office of the United States Trustee, 115 South Union Street, Alexandria, VA 22314;

(b) the Competing Offer shall be for all or substantially all of the Purchased Assets and in a form which is substantially the same as Exhibit A to the Sale Motion;

(c) by April 23, 2010, the alternative bidder must tender a \$50,000 deposit to Culbert & Schmitt, PLLC, counsel for the Debtor, which will be held in escrow pending the outcome of the Sale Hearing;

(d) the Purchase Price must be at least equal to the total Purchase Price under the Agreement, plus the 2% Break Up Fee, plus \$10,000. ((a-d) above are hereinafter referred to as the “Bidding Procedures”).

(e) In the event there is a Competing Offer, the Court will hold an auction of the Purchased Assets at the April 27, 2010 Sale Hearing

(f) Upon 48 hours notice, and during normal business hours, the Debtor will make the Purchased Assets available for inspection, and

IT IS FURTHER ORDERED that the Break up Fee Provisions of Article XI of the Agreement as set forth below

Seller acknowledges that (a) the Buyer has made and will make a substantial investment in time and will incur substantial out-of-pocket expenses in connection with the negotiation and execution of this Agreement, its due diligence with respect to the Purchased Assets and its

efforts to consummate the transaction contemplated herein, and (b) that the Purchaser's efforts have substantially benefited the Seller and will benefit the bankruptcy estate of the Seller through the submission of the offer reflected in this Agreement, which will serve as a minimum bid on which other potentially interested bidders can rely. Therefore, as compensation for entering into this Agreement, taking action to consummate the transaction contemplated hereby, and incurring costs and expenses related thereto and other losses and damages, including foregoing opportunities, the Seller agrees as follows, subject however, to the Bankruptcy Court approval of this provision of the Agreement, to pay the Buyer upon closing of an alternative transaction for the sale, transfer or conveyance of all or a portion of the Purchased Assets, the Existing Lease or the Subaru Dealer to any third party an amount equal to 2% of the price paid by such third party or parties (the "Break-Up Fee"). The provisions of this section shall survive termination of this Agreement. In connection with the filing of the Sale Motion, Seller shall seek prior approval of the provisions of Article XI.

are APPROVED.

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Robert G. Mayer  
United States Bankruptcy Judge

I ask for this:

/s/ Ann E. Schmitt  
Ann E. Schmitt, VSB # 22030  
Culbert & Schmitt, PLLC  
30C Catoctin Circle, SE  
Leesburg, VA 20175  
Counsel for Debtor